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Taking the Company from "Great Idea" to Sustainable Growth

An interview with CEO Bob Bennett



CATLIN & COOKMAN GROUP

Mastering the Art of Corporate Growth

As the world grows smaller, the innovative use of space becomes proportionately more important. Since 1986, Intirion Corporation (formerly MicroFridge, Inc.) has made its mark in the contemporary-living marketplace by selling combination refrigerator-microwave products to colleges, hotels, government, and assisted-living market segments, earning itself a place in Inc. Magazine's 500 Fastest Growing Companies of 1994. About the time the Inc. award was given, however, the company began to hit the wall. Now was the time for founder and CEO Bob Bennett to deal with severe growing pains while simultaneously ascertaining the true identity of his company and achieving strategic focus. How could he take a product-driven company--with essentially a single product--and transform it into a world-class, market-driven company? He tapped into the planning process offered by the the Catlin & Cokman Group. As a result the company's growth is back on track and plans are in place to keep it that way in the future.

When did the light go on for MicroFridge?

Bennett: I thought of the MicroFridge idea - a combination of microwave and refrigerator - in the fall of 1986. With a sales and sales management background, I had a good idea about selling things - I mean sales are sales - but I had no idea about how to start and build a company. Despite the lack of experience, we grew rapidly until 1994. Then, in making a shift from an entrepreneurial to a professionally managed company - something many companies go through - we were running into problems.

What kinds of problems?

Bennett: I was trapped somewhat by the classic do-it-yourself orientation of the entrepreneur. I was more optimistic than I should have been about projected revenue. The more good sales people we hired, the better the numbers would be. Working without a strategic plan, we hired 23 people in anticipation of \$23 million in sales. We wound up to \$13 million, at a company that didn't have a history of losing money.

How was the shortfall received?

Bennett: My board reacted swiftly to my coming in short on our numbers. It was clear to me that my neck was out there; the ramifications were that I was going to be looking for a job.

What did you decide to do?

Bennett: In the field, we reorganized into strategic business units with separate P&Ls. Instead of 23 generalist salespeople who sold to colleges, hotels, government, and assisted-living within a defined territory, we tried to build an organization around each of our market segments for maximizing profitability. As we transitioned and changed in the field, confusion reigned and communication was practically non-existent. It was apparent to me that we needed to restructure internally as well. We hired a new Senior VP of Finance and Operations, who brought considerable experience in transitioning companies with him. We decided that we needed to transform ourselves from a product-driven company to more market-driven.

We needed a growth strategy. We had made the decision verbally years before (but never had done anything about it) that we needed to introduce more products to our existing marketplace to leverage our core competencies; i.e. building relationships and distribution channels into this temporary-living segment. We knew that we had the relationships, the channels, and a solid record with an innovative product. What we needed was more innovative products to push through the channels.

We needed someone to help us craft a strategic plan. We felt that it was important to get everybody re-invigorated, re-focused on where the company was going, and to get a collective decision. I had plenty of questions myself about where the company was going and what the company should look like. That's where the Catlin & Cokman Group came in.

How did the Catlin & Cokman Group help initially?

Bennett: Most people have a skill set that is either on the



analytical/strategic business side or organizational/development side. The Catlin & Cokman Group has both and that's a big advantage. They really understand how business works. When we got together off-site as a group, Katherine Catlin challenged us to be candid, probed our assumptions and sparked controversy about the issues we faced. The trick, we discovered, is getting everybody engaged in the process. No sidelines. Everybody on the field of play.

What were the results?

Bennett: We've made vast improvements. We created a mission as a team to ensure that we would leverage our core competencies. We got the whole company involved and crafted a mission statement that everyone bought into, understood and believed in.

We also created a vision - what we would look like financially, to our markets, and to the customer in terms of systems, procedures, process and selling. And we developed a plan to achieve it.

Where did the vision take you in terms of the pragmatic. What did you do differently, immediately?

Bennett: We were able to put together an operating plan and a series of goals which drove our decisions about revenue, net income, procedures, growth, and new products. We've been able to turn around our net income by about \$1 million in one fiscal year and

simultaneously invest \$500,000 in research and development. We were able to hire a top VP of Marketing and reorganize our management team. In R&D, we're releasing several new products this summer.

What's happening is that we're riding the curve of the product-driven company while we transform into a market-driven company.

What happens next?

Bennett: We're trying to build a \$50 million company over the next five years. The process of building a mission and vision has led us to the development of a 3-year strategic plan - the organization of the future - which I present periodically to our board of directors. I'm sure we wouldn't be anywhere near this point if we hadn't gone through this planning process with the Catlin & Cokman Group. We couldn't have reached this level without a strong "outsider's perspective."

So the plan works.

Bennett: Absolutely. I always felt that as a CEO, it was my job to set a vision and lead people there, until I realized that it wasn't. I decided that, collectively, we were going to create a vision and craft an actionable strategy for the company. And achieve it. In fact, that's exactly what has happened.



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Catlin & Cookman Group: Corporate Profile

Building a Community of CEOs Who Are Growing Great Companies

In today's fast-paced world, CEOs have the toughest job of all. While it's both exciting and rewarding, it can also be extraordinarily challenging. Where do CEOs turn for guidance? Since 1989, CEOs of emerging-growth companies have come to the Catlin & Cookman Group for our unique expertise and resources – proven methods and frameworks to plan for and manage growth and change. Our sole focus on the CEO experience sets us apart, and the highly targeted resources we offer – CEO forums, consulting processes and practical tools – are developed exclusively for CEOs who are committed to growing great companies.

High-Growth CEO Forums™

More than ever, CEOs need a group of peer advisors to help grapple with issues they can't discuss with their teams or Boards. Our unique Forums are tightly-knit groups of CEOs from similar stage companies who meet quarterly to discuss their business challenges, advise each other about critical decisions, and develop best practices for managing growth. Our focus on customizing agendas to address members' real-time, bottom-line issues keeps the group accountable and the payback measurable. And, through our licensed partners, we are growing the number of High-Growth CEO Forums worldwide, creating a powerful, wide-reaching community of over 70 venture-backed CEOs.

High-Growth Consulting

To succeed, CEOs must create a shared vision and strategy with the executive team – and then execute ... flawlessly. We work closely with CEOs to define their strategic vision and annual plans, build and align executive teams, and create the organizational design, operating system and culture for impeccable execution. Our systematic, proven frameworks for growth deliver measurable results.

***Building the Profit Spiral®** Our foundation framework. Uncovers impediments to growth and helps CEOs and their executive teams create and implement strategic plans that include market focus, mission, values, vision, strategies, structure and culture — and an operating system to make sure the plan works. The result is the path to extraordinary growth.*

***Building the Executive Team as Leaders of Growth®** Defines the key responsibilities of the executives beyond their functional roles and develops a highly-focused and exceptionally strong team capable of leading the company to successful growth, breakthrough innovation and maximized profits.*

***Building the Awesome Organization.** Drives the strategic plan down into the organization – ensures that the critical metrics, operating processes, culture and activity alignment exist to execute the plan.*

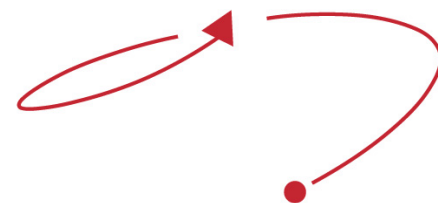
Thought Leadership

Our deep understanding of the high-growth CEO experience is reflected in our books, articles and seminars – and on our website, www.ceoexchange.com.

***Books:** **Leading at the Speed of Growth: Journey from Entrepreneur to CEO** (Wiley, 2001) and **Building the Awesome Organization** (Wiley, 2002) by Founder Katherine Catlin and Jana Matthews.*

***Seminars and Speaking Engagements:** “Growing Your Company: The CEO's Challenge,” a two-year, 7-part series for the Massachusetts Software Council, “The New Breed of Leader” at the Future Forward Conference, “Planning Bootcamp,” and many other engagements.*

Clients Include: Anaqua, Antenna Software, aPriori, Authentica, Authoria, Avotus, Bluespec, Circles, Concord Communications, Constant Contact, e-Dialog, Empirix, eRoom Technology, Experience, I-Logix, Inmagic, iRobot, LiveVault, PeopleCube, Monster.com, mValent, OneSource Information Services, PanGo Networks, Pantero, Soundbite, Steelpoint Technologies, The MathWorks, VFA, Sevin Rosen Funds, Polaris Venture Partners, and North Bridge Venture Partners



CATLIN & COOKMAN GROUP

Mastering the Art of Corporate Growth

The Bottom-Line Impact Experienced by our Clients

High-Growth CEO Forums™

“The job of the CEO is inherently and unapologetically isolating. The High-Growth CEO Forum offers a refreshingly honest and sincere source of support and advice from peers who live on similar quarterdecks. Its format and strong facilitation differentiate it from other groups I have seen. The Forum is one of the most effective feedback and personal development mechanisms available to a CEO. It has made me a more effective leader and a happier, more balanced human being.”

Colin Angle, CEO of iRobot which had a successful IPO in November 2005 establishing a market cap over \$700 million. He was also E&Y Entrepreneur of the Year winner in 2003.

"I am a strong advocate for the CEO Forum. I grew and sold my last company for 5X more than it was worth when I started as CEO. There is no way I could have done that without the Forum. The quality of the people and input I got from them along the way was invaluable. We are all dealing with the same issues, just different context and timeframes. As you know, a CEO's biggest challenge is prioritizing – especially his/her time. The fact that most of this team never misses a meeting speaks volumes about the value proposition! As an aside, my current company is less than a year old and our last round post money was already 5X the first!"

Paul DiGiammarino, President & CEO of Anaqua. After a successful exit, Paul is again a Forum member.

“The Catlin & Cookman Group community was my most valued sounding board when I was CEO of eRoom – no other constituency could offer the direct, trusted and knowledgeable feedback a CEO needs when in the line of fire. Not the board, not my management team and certainly not my spouse. The CEO Forum provided me the opportunity to step back from the trees, reassess my long-term vision and strategy and gain clarity on often difficult and complex issues – and over time I built some fabulous friendships.”

Jeffrey Beir, former CEO eRoom Technology, and currently General Partner, North Bridge Venture Partners. Jeffrey was an E&Y Entrepreneur of the Year winner in 2003

“The Catlin & Cookman Group’s High-Growth CEO Forum was a major contributor to giving me the ideas and inspiration as an entrepreneurial CEO that led to winning the Entrepreneur of the Year Award.”

Dan Schimmel, former CEO of OneSource Information Services and an E&Y Entrepreneur of the Year winner in 2001.

“Given my scars and collective experiences, I would have thought that by now there would be nothing I could learn from a group such as this, but I am amazed at the insights I get from experienced and even newly appointed CEO's... I don't recall ever making a similar endorsement.”

Gene Robinson, CEO of I-Logix, Inc

High-Growth Consulting

“I’ve always been an entrepreneur, and one of the things I learned early on was that I couldn’t get any synergy in my business until I had a group of people working as entrepreneurs together. We have that now at Monster.com as a result of our work with the Catlin & Cookman Group, and we also have a plan in place that will guide our future growth while helping us preserve our unique culture even as we add more and more employees here and around the world.”

Jeff Taylor, Founder and Chief Monster, Monster.com

"The Catlin & Cookman Group has been an invaluable partner for Authoria - amazing people and processes for providing insight and peer-review, and for driving powerful ideas into action."

Tod Loofbourrow, CEO of Authoria Inc.

“When facing a difficult issue on my management team, or for the company as a whole, a quick call to my Catlin & Cookman Group consultant always provides an enlightened and unbiased point of view that helps bring clarity to the decision that must be made. I consider the Catlin & Cookman Group to be a vital member of my team.”

John Rizzi, CEO of e-Dialog

